

April St. Mary Rehabilitation Working Group
Meeting Minutes 4-23-08
APPROVED

Working Group Members Present: Lt. Governor John Bohlinger, Randy Reed, Dolores Plumage, Marko Manoukian, Michael DesRosier, Paul Tuss, Wes Pankratz, Gary Anderson, and Steve Page. (No quorum – discussion only). Matt McCann @ 1:00 (quorum).

Alternates: Kay Blatter (alternate for Jennifer Brandon).

Absent: Don Wilson, Dave Peterson, Wade Engstrom, Mike Barthel, and Randy Perez.

Others: Senator Kim Hanson, Senator Frank Smith, and Erling Juel.

Ex-Officio Members Present: Cheryl McCarthy, (Senator Tester).

Staff Present: DNRC/State Present: Paul Azevedo-State Coordinator, Judy Edwards-MT Consensus Council, Larry Mires-Executive Director, and Christine Muller-Administrative Assistant.

Announcement: Lt. Governor Bohlinger. Representatives from the Governor's Office will be hosting their counterparts from Alberta at the State Capital on May 21 and 22 for the annual Montana Alberta Bilateral Advisory Council meeting. The St. Mary Rehabilitation Project will be on the agenda.

Amendments to agenda: Larry Mires requested adding agenda item - (MRRIC). Dolores Plumage requested adding discussion on the Clean Water Act. Both added under the working group comments section.

Minutes circulated. – Amend minutes to reflect the contract with the Montana Consensus Council and Judy Edwards will cease operations June 30, 2008 (not June 31, 2008). Approved as amended.

Action items from March meeting:

- a. Process agreement. Paul Azevedo to review with Judy Edwards and will have something for the next meeting.
- b. Paul Azevedo reported on the request from Pat Thomas from the last meeting. The request was for the Working Group to provide a letter of support for the Blackfeet Tribe, which was due on April 12, 2008. This action item was not completed. Larry Mires responded that communication was not received back from Don Wilson or Pat Thomas and information was not provided to Working Group to draft the letter of support.

- c. Larry Mires reported the Outreach Committee had not met to discuss SMRWG marketing ideas. He requested the Outreach Committee meet later in the day.

Informational updates:

Larry Mires and Randy Reed reported on the NWRA conference held in Washington, D.C. on April 14-17. Purpose of visit was discussion of aging infrastructure. If the Working Group doesn't maintain a presence in D.C. the issues will get lost within the bureaucratic system. We may not get funded in 2009 unless included in the budget bill that passes the House. The Energy and Water Development Appropriation Committee (Congressman Rehberg) understands the seriousness and importance of the project.

The House Energy subcommittee would like to do a St. Mary - Milk River tour, possibly the middle of May or over the Memorial Day weekend. Both the Senate Natural Resources Subcommittee and the House Appropriation Subcommittee would like a tour also, possibly over the July 4th recess or in August.

Lt. Governor Bohlinger commended Randy Reed & Larry Mires for their presentation and work in Washington, D.C. He also commended Paul Azevedo and John Tubbs for their work in equipping Larry Mires and Randy Reed in preparing for the meetings.

Financial Report: Paul Tuss presented the St. Mary Rehabilitation Working Group financial report for the 1st quarter of 2008.

Blackfeet and Fort Belknap Water Compact Update: No updates given as Don Wilson and Randy Perez not present.

Meeting Facilitation/Process Management Services: Paul Azevedo reported that the State's contract with the Montana Consensus Council will end on June 30, 2008. After that time, the Consensus Council will no longer have a formal relationship with DNRC or the Working Group. Paul felt the Working Group should begin a discussion on the need of retaining other facilitation services or other professional services needed for the future. He said DNRC would be willing to cost share with the Working Group if they decide there is a need for contracted services. DNRC would prefer any future contracts be carried by Bear Paw Development for the Working Group.

The next step is developing a basin entity with authority provisions for enforcement. This will be a critical part of the continuation of the project. The basin authority will be empowered to raise monies to cover the cost share. One consideration is the establishment of an income stream that can be found through electricity (wind projects) or other scenarios that might be available – our farming/ranching community operates within thin margins, not a lot of extra money available for additional assessment – need to look at all sources of revenue possible.

Public Comment: Will the basin authority address the Native American Indians who are also part of the basin? Lt. Governor Bohlinger commented that the Native American Indians are equal partners and their interests need to be protected equally. Will there be a voting board member from each tribe on this basin authority? John Tubbs reported that the State doesn't have the authority to levy an assessment on Tribal lands because it would interfere with the Tribe's right as a sovereign government. John felt that in the area of establishing a framework for the future of water management in the Milk River Basin, both Ft. Belknap and the Blackfeet were ahead of Milk River Project irrigators. Both Tribes' have negotiated Compacts which provides them with a roadmap of future water management options. Establishing a basin authority will give Milk River Project irrigators a similar set of planning tools.

Dolores Plumage stated that for the future of the St. Mary's project the members need to look at the role of the Working Group and decide which type of entity needs to be created. She commented that the Working Group is past the need for the facilitation services provided by MT Consensus Council (MCC) and needs to move forward with other types of services. The level of need has changed. Discussion is needed from all members involved with the water basin on the evolution of the Working Group and services needed.

One possibility is Judy Edwards will be a private contractor and could present the Working Group with a proposal as to what she could provide for the future needs of the group.

Paul Tuss encouraged the Working Group to evaluate funding issues first before starting discussion on services needed.

Lt. Governor Bohlinger suggested the Working Group and JBOC meet to assess the need for a facilitator as the group moves forward and restructures.

Motion to defer discussion to the Executive Committee who will report back to the Working Group. Approved.

Motion to approve agenda and minutes. Approved.

Cost Share Discussion:

The JBOC needs assistance from the Working Group in discussions of who will be responsible for the cost share of the project. The irrigators are not the only users and beneficiaries of the Milk River and should not be the only members responsible for the cost share expense.

Larry Mires – provided handout of State legislation that was drafted in 2005 (LC 0630) and requested feedback so he could respond to the list of questions generated by the folks in Legislative Services. Judy Edwards suggested evaluating the questions and

determine which would be relatively easy to answer and which would need legal interpretation, etc. Divide up into categories of those that would be possible to accomplish during the meeting and those that are not. Larry Mires stated that the intention of passing out the old legislation was to generate discussion on what a water basin authority would be. The old legislation should serve as a guideline to begin discussion of how the entity will be put together and issues relating to: board composition and procedures, power of the authority, funding for the authority, and bonding authority.

After lengthy discussion the decision by the Working Group was to assign the Outreach Committee to meet with the JBOC to complete the following tasks:

1. Draft statement of goals for the basin authority. What is the basin authority being set up to accomplish?
2. Identify potential list of stakeholders who need to be brought into future discussions.

Kay Blatter felt the two groups could get together for a meeting within the next 10 days. Gary Anderson requested that the results of the meeting be sent out as soon as possible. Larry said the information would be emailed out as soon as it was available. He said he would follow it up with a phone call to see that everyone had read it. Results of the joint JBOC/Outreach Committee meeting would be discussed by the whole Working Group at the next regular meeting.

Working Group Comments:

Update on MRRIC: 28 tribes, 26 stakeholders, 8 states, and 11 government agencies developed a draft charter to be reviewed by all the sovereign's within the Missouri River basin. When finished and if accepted, a MRRIC committee will be formed. The Working Group needs representation on the MRRIC committee when officially formed – Larry Mires represented the joint interest of the SMRWG and Two Rivers Economic Growth during the Drafting Team meetings. Max Maddox served as his alternate. Funding will be needed to cover travel expenses to ensure participation from all peoples.

Dolores Plumage– Clean water act – received a petition to oppose the Clean Water Act. John Tubbs reported that the petition left out a majority of information and was not completely accurate. Lt. Governor Bohlinger suggested waiting until the Governor's Office reports on the Clean Water Act.

Motion to include "St. Mary-Milk River Project" on the siphon trailer signage. Approved .

Public Comments: Senator Kim Hanson: Cautioned the Working Group on not spreading themselves to thin. He stressed the importance of being united before the

legislature in Helena. Failure to be united will result in being back before the legislature in 2011. He suggested letting joint committees of the Working Group and JBOC do the majority of the work. At this stage a big group is not needed. The bigger the group, the more difficult it will become. He suggested saving the fine tuning until later, issues about board membership and the like will sift to the top over time. The top priority for the Working Group is to determine the mission or goals of the basin authority. The details will filter out. Senator Hanson said he and other Hi-line legislator's are the Working Group's representatives in Helena. They want to get the job done in Helena. However, they need the Working Group to provide them with the tools.

Public Comment: Doug Stewart – Harlem. The Working Group has moved way beyond a facilitator, and needs to focus on a new scope description. The Group needs to prepare for the water authority from the very beginning. It should be thought of as a business model.

Next meeting: May 28, 2008.

Action Items:

- a. Paul will provide copies of Process Agreements at next meeting .
- b. Outreach Committee/JBOC – meet between May 5-9. Report back to Working Group with results.

Approved consensus items:

Minutes

Agenda

Trailer Signage

Outreach Committee-meet with JBOC on entity questions.

Next meeting date: May 28, 2008 – Chinook.

3:15 Adjourn